

U.S. experts say:

'Patt playing politics with free-trade deal'

By WOLF BLITZER
Jerusalem Post Correspondent
WASHINGTON. — U.S. trade and congressional specialists yesterday charged Industry and Trade Minister Gideon Patt with "domestic political motives" in predicting that the proposed U.S.-Israel free-trade agreement might be ready for a formal signing ceremony by mid-September.

They suggested that Patt was apparently trying to win support for the Likud in next Monday's election by painting such an optimistic picture of the negotiations aimed at removing all trade barriers between the two countries.

Patt, who met here last week with U.S. special trade representative Bill Brock, has maintained that the signing is likely to take place in September if Congress can complete the necessary legislation authorizing the agreement when it reconvenes on Monday.

But U.S. trade specialists and several well-placed congressional sources yesterday said it was very questionable whether the legislation will be approved during the brief session of the House and Senate.

"It's very touch and go," one source said.

While the sources agreed that it was not out of the question for the legislation to be approved, they cited the numerous difficulties in getting an acceptable version through both bodies.

At the moment two separate bills authorizing free-trade areas are under consideration.

The Senate Finance Committee has approved language that would enable the administration to sign — but not implement — a treaty with Israel. Under this version, the treaty would still have to win ratification in the Senate.

Israeli officials and administration backers of the free-trade area still hope to avoid a second round of congressional action. They agree that the pending House version, sponsored by New York Democratic Rep. Tom Downey, would be a preferable route. That measure would authorize the administration to sign and implement the agreement without additional legislative action.

The major problem, however, is (Continued on page 2, col. 6)

Amid conflicting reports

Begin filmed secretly for campaign appearance

Jerusalem Post Staff

Former premier Menachem Begin, who has not left his home for months and has been strikingly absent from the Likud's election campaign, has been recorded in sound and on video in what is believed to be a final appeal to his party's electorate, *The Jerusalem Post* learned last night.

The filming was reportedly carried out by means of a mini-camera which can be carried by one man in a brief case.

Queried on this, a Likud source said last night there was now an increased likelihood that Begin would yet make an appeal on behalf of his party.

From the Likud's Kfar Hamachbia television studios, sources disclosed all knowledge of any recording of the former premier. They said that as far as they knew Begin had still not made up his mind.

The intriguing question now is whether the Likud will use the Begin appeal at its central Tel Aviv rally tonight, or on the last night of the television broadcasts, in a final bid to defeat the Alignment and win back any wavering former Likud voters.

Earlier, a source close to former prime minister Menachem Begin last night categorically denied a television report that Begin had decided not to appear to the voters on behalf of the Likud before polling day.

The source told *The Jerusalem Post* that the TV report was based on a conversation with him, and that it had probably resulted from a misunderstanding stemming from the source's statement that Begin would not appear in the big rally planned by the Likud tonight in Kfar Machbia. Yisrael here to wind up the campaign.

Begin told Kol Yisrael yesterday afternoon in a telephone interview that he will decide within the next two days.

Begin again broke his silence yesterday to deny to radio and to the press yesterday's *The Jerusalem Post* report that he had told a prominent attorney he "did not want to hear that name" — in reference to Ariel Sharon.

However, when pressed by the English-language news service of Kol Yisrael to express an opinion of his former defence minister, Begin said: "I have nothing to say," and refused to be drawn further.

Seventy children from Kiryat Shmona were disappointed yesterday when Begin declined to greet them at his Jerusalem home. The children, bearing flowers, letters and posters thanking Begin for "removing the threat of the Katyushas," had been bused from the northern border town by local Likud activists.



The Israel Air Force yesterday unveiled a mobile radar unit for detecting low-flying aircraft. The U.S.-built unit has been modified to IAF specifications and can detect planes at a range of dozens of kilometres. It was first used during the war in Lebanon and aided the IAF in bringing down several enemy aircraft.

Egypt said angling for Soviet SAM-5 missiles

BONN (JTA). — Egypt is negotiating with the Soviet Union for SAM-5 missiles, such as are deployed in Syria, *Die Welt* reported yesterday.

The Soviets have already agreed to supply the Egyptians with spare parts for their T-62 tanks in the first major thaw in relations between the two states since the late Anwar Sadat expelled Soviet diplomats from Egypt in 1972, the newspaper added.

According to the paper, the Egyptians, while sticking to the peace treaty with Israel, want to modernize their army so that they would be in a position to advance their goals militarily, if necessary. The daily said that Egypt's recent programme of replacing Russian equipment with American weapon systems has turned, in the words of western diplomats in Cairo, into an ambitious rearmament programme.

An important principle applied by the Egyptians is not to become dependent on a sole source of arms — like the U.S. which is their major supplier.

Therefore, they have promoted relations with Europeans as well as Third World suppliers, and are now paving the way for renewed deliveries from Moscow.

The newspaper based its report on

sources in Cairo as well as on an analysis of recent Egyptian purchases.

A report that Kuwait is prepared to buy arms from the Soviet Union has been denied by President Reagan's national security adviser, Robert MacFarlane. Kol Yisrael reported last night.

The broadcast did not say where the report came from. MacFarlane is reported to have told the president that despite the recent visit by top Kuwaitis to Moscow, Kuwait prefers to buy arms from western sources, although not necessarily from the U.S.

Air Force short of pilots

IAF keeps eye on advances in Arab air forces

By JOSHUA BRILLIANT
Post Defence Reporter

The Syrian Air Force has been undergoing a "real revolution" following the Peace for Galilee operation of 1982. Israel Air Force Commander Aluf Amos Lapidot estimated yesterday.

Addressing defence reporters on a tour of an IAF base in central Israel Lapidot expressed concern also about the advances in other Arab air forces, some of which have received F-15s and F-16s, which are the latest word in Israel's arsenal.

But Lapidot added that Israel's edge lay in the "human and qualitative advantage, and in all that concerns the operation of integrated weapons systems."

Lapidot noted, however, that the IAF is short of pilots because many refuse to sign up for additional service, and training has been hard hit by budgetary cuts.

Lapidot said the Syrians have been facing problems in a "serious and thorough manner" following the Lebanon war, in which they lost 85 planes while the IAF lost none.

The base commander who hosted

the military reporters cautioned against expecting the next war to end with results as good as 1982. He noted that the IAF had used the tactics it had secretly developed since the 1973 Yom Kippur War, while the enemy was studying its own lessons and it will take years until Israel develops answers to the new threats.

Lapidot expressed concern also over the U.S. supply of F-15s to Egypt and F-16s to Saudi Arabia. He said he believed the Egyptians are not encountering any special problems in operating their F-16s. "They absorbed them in an orderly manner" in contrast to the problems they faced in assimilating their first U.S.-built combat plane, the Phantom.

The Gulf War poses some long-term dangers, said Lapidot. The Iraqis have been receiving long-range planes and can reach Israel without needing forward bases in Syria or Jordan. However, he added, the Iraqi capability has been "not high in the past and it is not high today."

The Israel Air Force is short of pilots, as many of them refuse to sign up for additional service after completing their seven-year compulsory (Continued on back page)

French government resigns

PARIS (AP). — The government of Prime Minister Pierre Mauroy resigned last night, and President Francois Mitterrand accepted the resignation, the Elysee Palace announced.

Mitterrand nominated Laurent Fabius as the new prime minister, the announcement on French Television said. Fabius was minister of industry and research.

The announcement followed press reports last night that Education Minister Alain Savary, author of a highly controversial education bill, had submitted his resignation.

There has been speculation over the past few months that Mauroy would resign, and rumours increased after the setback suffered by the Socialist and Communist Parties in June 17 elections to the European Parliament.

Mitterrand, declining in popularity in the polls, remained staunch in the face of increasing criticism over the education bill — dubbed the Savary Law — and a publicly less controversial but still divisive press bill.

However, within the past week he made a turn-around, announcing the withdrawal of the Savary bill, calling for an amendment to the constitution that would permit national referendums on questions concerning freedoms and announcing a reduction in both personal and professional taxes on companies.

In a letter to Mitterrand made public last night by the Elysee Palace, Mauroy, noting the president's decision to amend the constitution, spoke of a "new phase" in the direction of the government and said: "I think like you that the moment has come to change the government."

Mauroy has been prime minister since Mitterrand was elected three years ago, in May 1981.

Democrats' keynote speaker stresses support for Israel

By WOLF BLITZER

Jerusalem Post Correspondent
WASHINGTON. — The Democratic Party's traditional support for Israel was underlined in New York Governor Mario Cuomo's rousing keynote address before the opening session Monday night of the presidential nominating convention, in San Francisco. (See story page 4)

He complimented on the Reagan administration's mixed record toward Israel over these past few years.

Reiterating a basic theme of Walter Mondale and his running mate, Geraldine Ferraro, the governor declared: "We have been less than zealous in our support of the only real friend we have in the Middle East, the one democracy there, our flesh-and-blood ally, the state of Israel."

That was the only direct reference

to Israel in the speech, which traditionally is designed to set the tone for the presidential campaign.

Cuomo, however, did twice refer to the Reagan administration's decision to dispatch U.S. Marines to Lebanon and the subsequent terrorist attack against Marine headquarters in Beirut.

He declared that 279 American soldiers were killed in Lebanon "in pursuit of a plan and a policy no one can find or describe."

Cuomo yesterday told reporters that Jesse Jackson's proposed amendment to the Democratic Party platform in support of the Palestinians would be decisively defeated at the convention.

As it now stands, the draft platform is very pro-Israel, including a pledge to move the U.S. Embassy from Tel Aviv to Jerusalem.

Jemayel plans takeover of Shouf

BEIRUT (AP). — President Amin Jemayel's government, after successfully reasserting its authority in Beirut, is preparing to send army units into the Druse-held central mountains, officials said yesterday.

Details of the plan were being worked out by a four-party security committee, grouping representatives of the Lebanese Army and the rival Christian, Moslem and Druse

militia groups, said the officials. The committee met yesterday, but no details were disclosed.

The plan comes within efforts by the national coalition cabinet to reunite the nation, divided by 10 years of civil war. It follows the successful deployment of Lebanese Army troops in Beirut two weeks ago, ending the reign of various militia groups.

Executive calls Baruch's bonus proper

By ROY ISACOWITZ

Jerusalem Post Reporter

TEL AVIV. — A representative of the South African conglomerate that holds half share in the Rassco construction company said yesterday that the \$50,000 bonus paid to Finance Ministry Director-General Nissim Baruch was above-board and had been announced publicly.

Mervyn King, a senior executive of Kirsh Industries, told *The Jerusalem Post* that the bonus had been reported in a prospectus issued by Rassco after the company was bought from the Jewish Agency in August 1981. He attributed the current controversy over the payment to "election fever."

Kirsh Industries chairman Natie Kirsh is one of a group of South Africans with 50 per cent holdings in MBA Developments, the Rassco

holding company. He serves a chairman of MBA, which was established at the initiative of Economic Minister Ya'acov Meridor to buy Rassco from the Jewish Agency.

Baruch was director of Rassco at the time of the sale, and continued in the post under a new contract until early this year. Baruch subsequently became director-general of the Finance Ministry.

King said that he had no knowledge of any involvement by Baruch in the raising of the funds to buy Rassco. He also said that he was not in a position to comment on recent press allegations that Baruch received a loan of over \$100,000 from the company on unprecedentedly easy terms, and that the matter of his pension is currently under arbitration.

New 32-member cabinet sworn in by Mubarak

CAIRO (AP). — President Hosni Mubarak yesterday swore in the new cabinet headed by Prime Minister Kamal Hassan Ali and then attended the cabinet's first meeting.

Mubarak appointed the 32-member cabinet on Monday. Ali had been acting prime minister since June 5 when Prime Minister Fuad Mohieddin died suddenly of a heart attack.

The new cabinet includes changes in a number of key financial ministries which Mubarak said would help ease the economic hardship of the masses. But economic analysts in Cairo believed there would be no major economic shifts in Egypt's open-door economic policies.

In the new format, Ali relinquished the Foreign Ministry portfolio to Esmat Abdel Meguid, Egypt's former delegate to the U.N.

No changes in Egypt's foreign policy were expected.

Butros Ghali retained his post as minister of State for foreign affairs in the new cabinet, while Deputy Premier and Defence Minister Field Marshal Abdel Halim abu Ghazala also remained in his posts.

The main surprise in non-economic ministries was the removal of Interior Minister Police General Hassan abu Basha from his post and his transfer to the Ministry of Local Government. His top assistant, Ahmed Rushdy, took over as chief of the Interior Ministry. No explanation has been given for this change.

The most conspicuous changes involved the ministries of petroleum, foreign investments and industry, which are the offices actively involved in increasing the activities of foreign firms in Egypt.

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GENEVA	16	20	68	24
HELSINKI	17	21	69	25
HONG KONG	28	32	90	36
JOHANNESBURG	13	18	64	22
LONDON	14	19	66	23
MADRID	15	20	68	24
MONTREAL	16	21	69	25
NEW YORK	17	22	72	26
OSLO	18	23	73	27
PARIS	19	24	75	28
SAO PAULO	20	25	77	29
STOCKHOLM	21	26	79	30
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THE WEATHER

	Yesterday's Humidity	Yesterday's Min-Max	Today's Min-Max
Jerusalem	41	18-30	21-31
Golan	38	15-24	18-29
Nahariya	38	15-24	18-29
Safed	38	15-24	18-29
Haifa Port	38	15-24	18-29
Tiberias	38	15-24	18-29
Nazareth	38	15-24	18-29
Afula	38	15-24	18-29
Shomron	38	15-24	18-29
Tel Aviv	38	15-24	18-29
B-G Airport	38	15-24	18-29
Jericho	38	15-24	18-29
Gaza	38	15-24	18-29
Beersheva	38	15-24	18-29
Eilat	38	15-24	18-29

SOCIAL & PERSONAL

Professor Efraim Bental of the Rambam Hospital will speak on "Neurology" at the weekly meeting of the Haifa Rotary Club in the Nof Hotel at 1 p.m. today.

ARRIVALS

Philip Klutznick, for meetings of the Memorial Foundation for Jewish Culture and the International Centre for University Teaching of Jewish Civilization, which he heads.

Jerusalem man shot

A 21-year-old Jerusalem man was shot in the leg and back early yesterday morning from an ambush near his home in Jerusalem's Katamonim quarter.

The man, Yehuda Ben-Atar, was ambushed as he returned home and several shots were fired at him, probably from an Uzi submachine gun, the police said. He was rushed to Hadassah Hospital, Ein Kerem.

Ben-Atar was arrested some time ago on suspicion of helping gangster figure Avner Kol in the attempted murder of Jerusalem tombstone manufacturer Uri Biaz, but was released. (Itim)

SUMMER COURSES. - Over 400 students from about 30 countries - including Iceland, Finland, Mexico, Thailand, Korea, Japan and Trinidad - in addition to the major western countries - are attending the first semester of this year's summer courses programme at the Rothberg School for Overseas Students of the Hebrew University. Another 330 are expected for the second semester in August.

Kibbutzim mobilizing for election day

TEL AVIV. - Between 12,000 and 15,000 kibbutzniks and about 2,500 kibbutz vehicles will help get out the vote for the Alignment on election day, the United Kibbutz movement spokesmen told a news conference here yesterday.

Kibbutz campaign coordinator Yitzhak Nishri also said most of the house-to-house canvassing to seek out Alignment supporters was done by kibbutzniks who entered the large cities, including Likud strongholds such as Tel Aviv's Central Market and Hatikva quarter.

"We had a lot of fears about

PLP petitions High Court over voters' lists

The Progressive List for Peace yesterday submitted two petitions to the High Court of Justice, one against the interior minister and one against the Lod municipality, the PLP spokesmen said.

In its petition against Interior Minister Yosef Burg, the PLP contends that his refusal to distribute the voters' registration lists to any parties but those represented in the 10th Knesset is unjustified and constitutes severe discrimination against new lists. The step is designed to prevent new parties from organizing themselves properly for election day, the petition says.

In its other petition, the PLP says that the refusal of the Lod municipi-

Welcome Back to Israel from the United States:

Dr. David Greenblatt, and wife, Leah, of Jerusalem
Dr. Harold C. Blum, and wife, Gertrude, of Jerusalem
David Bernhard, and wife, Inge, of Jerusalem
From the Capt. Yehiel and Ruth Glovsky Langer Hospitality Foundation,
One Mapa Street, Jerusalem

TOMORROW - HAGA (Civil Defence) Exercise in Nes Ziona

Tomorrow, Thursday, July 19, there will be a Haga exercise in Nes Ziona, between 6 a.m. and 5 p.m. During the exercise, the sound of firing and explosions will be heard, and the sirens will sound all clear. In the event of a real attack, the sirens will sound a rising and falling note.

HOME NEWS

EYE-WITNESS

Negev warm to Shamir

By MICHAEL EILAN
Jerusalem Post Reporter

OFKIM. - The Likud campaign moved into its final stage here yesterday when Prime Minister Shamir appealed to wavering voters not to vote for small parties.

"Yahad, Tehiya, Tami, Shas... a ballot for these parties will only help the Alignment," Shamir told a packed rally in the main square here.

A man who said he was an avid Likud supporter nodded in agreement. "All those attacks on the Alignment were unnecessary," he said. "This is a Likud town. But the small parties have been stealing all our voters."

Shamir was received well in Ofakim and in nearby Netivot. Relatively large crowds of about 500 in Netivot and nearly 1,000 in Ofakim came to hear him, and his speeches were punctuated with lots of applause. But something was missing. People who identified themselves as Likud supporters in the crowd were ambivalent when asked whether Shamir could bring wavering voters back to the Likud.

One man said, "Well, even a few votes is worth the trip. But (Deputy Premier) David Levy would have won more hearts."

Claude Tuito, who runs a kiosk on the square, disagreed: "This visit shows people here that the elections are important, and that will make them think."

Shamir seemed more effective at the rallies than at a small meeting of activists at the Ofakim local council chambers.

At the meeting, Shamir did not arouse great enthusiasm and did not manage to command the attention of the roughly 40 people in the room. There was also a rather uncomfortable pause as Shamir stayed half raised from his chair with his hands on the table as two local rabbis blessed him with their hands on his head.

At the rallies Shamir spoke much more vigorously, and the audience seemed to enjoy itself much more. "He really knows a lot about security and foreign affairs," a middle-aged man called Moshe said.

After he left Ofakim, people gathered in the small cafes in the town's centres. Likud supporters seemed pleased with his performance. "Listen, he's not Begin and he doesn't pretend to be Begin. I like that," one woman said. "He speaks both to the heart and to the mind," another woman said.

"But he didn't move them," an anxious-looking youth said. "The small parties are going to make a killing here."

And Claude Tuito, back at his kiosk, summed it up: "I don't really know what's going to happen here on election day, but I feel that this time it's the turn of the small parties."

But after talking about the small parties, both Likud and Alignment supporters said that what they would really like is a national unity government - and it would not matter who headed it.

Religious parties' debate marked by concord

By ARYEH RUBINSTEIN
Post Knesset Reporter

"For Religious Youth Who Can't Make Up Their Minds," said the leaflets announcing a three-way debate at Jerusalem's Yeshurun Synagogue on Monday night.

The subject: "The Religious-Zionist Camp in the Coming Elections."

The speakers: Rabbi Eliezer Waldman, No. 4 on the Tehiya list; Knesset member Yehuda Ben-Meir, No. 7 on the National Religious Party list; and Hanan Porat, No. 4 on the Morasha list.

The organizers: World Yavneh, the organization of Yeshiva and Religious University students, with the Israel Council of Young Israel.

Religious the audience was young? Of the some 300 present (100 of whom were standing or seated on the window-sills or in the aisles), at least half seemed to be under 30.

But undecided they were not, decidedly not. They had not come, most of them - certainly not the young people - to learn and to judge, but to cheer their own man. A few of them, forgetting that this was not an election rally of a single party, saw fit to heckle, not relying on their own flag-bearer to take care of himself.

Waldman had his vocal partisans, and Ben-Meir was applauded now and then. But the darling of the audience was Hanan Porat. If he had read a chapter from Psalms or declaimed a poem by Zeldi his followers would have applauded just as loudly.

If any news emerged from the debate it was perhaps Porat's state-

ment that if a Likud-Tehiya-Morasha coalition is out of the question, Morasha would do its utmost to bring about a national unity government.

This followed Ben Meir's declaration that since only a unity government could get Israel out of the economic morass, that is what the NRP is for. Waldman said, not unexpectedly, that Tehiya would join only a Likud-led government.

More newsy, no doubt, was Porat's citing *Binyamin Ben-Eliezer*, then military governor of Judea and Samaria, as having said that then defence minister Ezer Weizman had made light of his report that Nablus Mayor Bassam Shak'a had been heard calling for death to any Arab who sold land to Jews. (Despite the view attributed to Ben-Eliezer, he is now second on Weizman's Yabard Knesset list.)

Weizman bears considerable responsibility for the rise of the Jewish underground. Porat said, in his answer to moderator Shaul Meislich's question on that subject. Meislich is on the staff of *HaTzofe* the NRP daily.

Despite the Talmudic dictum that "no two prophets prophesy in the same manner," on almost all points Waldman and Porat seemed to be repeating one another. It was Tehiya and Morasha on one side and the NRP on the other.

Thus, on the underground, Waldman condemned the deeds, "even with respect to the Temple Mount," and said that the decline of security had provided the impetus. Porat's formulation was: "Even if one denounces the deeds, one must take into account the distress that gave

Missing soldier's family holds hunger strike

By MICHAEL YUDELMAN
Jerusalem Post Reporter

TEL AVIV. - Charging that the authorities are ignoring their pleas, two brothers and a sister of an Armoured Corps soldier who has been missing since the first week of the Lebanon War yesterday held a hunger strike outside the Defence Ministry here.

Prima and Avraham Feldman said that for the past 26 months they have received no information about the fate of their son Zvi. They added that the government and Defence Ministry are ignoring them.

Zvi Feldman, 27, was in a tank with Ariel Lieberman and Hezi Shai in the battle of Sultan Ya'akub in Lebanon. Lieberman was recently returned by the Syrians in a prisoner-of-war exchange, and Shai, who is being held by Ahmed Jibril's Popular Front for the Liberation of

Palestine-General Command, was seen in a press conference broadcast from Damascus last week. "We believe that Zvika is alive, because Hezi Shai and Ariel Lieberman were in the same tank with him," Anat Feldman, 22, Zvi's sister, told *The Jerusalem Post* yesterday.

"Shai was missing for two years before anybody knew what happened to him. So it's possible that Zvika, too, is being held by some terrorist group," she said.

The Feldmans said that former prime minister Menachem Begin and former defence minister Ariel Sharon had promised that efforts to find their son would not be separated from the efforts to free the prisoners of war. The two officials promised that no prisoners would be exchanged before finding out the whereabouts of the missing ones, the family said.

Relatives and friends joined yesterday's de-

monstration. Senior IDF officers came out of the Defence Ministry and spoke to the family, trying to persuade them to stop their fast and to go home.

The family finally stopped its hunger strike when it received word in the afternoon from a senior IDF official that every effort would be made to give them information on their son.

OC Mangawar Division Aluf Amos Yaron said yesterday that he understood the families of the missing soldiers but accepted only a small part of their complaints. "The families are interested parties and therefore extremely subjective. The IDF has many restrictions and cannot reveal certain things that may affect future steps or expose sources," he said.

Nevertheless, he continued, "we have already slaughtered several sacred cows for the families. We must help them, and sometimes information can be of comfort," Yaron said.

Moberly: Kidnap hasn't hurt relations

By DAVID RUDGE
Jerusalem Post Reporter

HAIFA. - The alleged involvement of three Israelis in the kidnapping of former Nigerian minister Umaru Dikko in Britain has not soured relations between Britain and Israel, outgoing British Ambassador Patrick Moberly told reporters here yesterday.

The British government has clearly stated that there is no evidence of Israeli government involvement in the incident, he said.

Moberly, who is leaving soon to take up the post of ambassador in

South Africa, emphasized that relations between Britain and Israel are on a sound basis.

"One of the abiding impressions I have of my time here is how broad the connection is in terms of business, tourism, and professional contacts. There are so many ways Britain and Israel are connected, and this is the best possible form of relationship one could have," he said.

Moberly was hosted at city hall yesterday by Mayor Arye Gurel and civic dignitaries.

Leumi to be closed today in central region

By PINHAS LANDAU
Jerusalem Post Reporter

TEL AVIV. - The sanctions at Bank Leumi are to be concentrated today on the bank's central region, from Netanya to Ashdod. This area in-

cludes Petah Tikva and Bnei Brak, but not Tel Aviv-Jaffa. Branches in Jerusalem and the south, which were struck yesterday, will operate as normal today. The employees are protesting against the bank's proposed staff cuts.

Meanwhile, the meeting on the issue due to be held yesterday afternoon with the participation of the Histadrut was cancelled. The bank's management announced that it was not prepared to negotiate while sanctions were in progress. The works committee was unable or unwilling to call off the moves it had already announced, so the meeting was postponed.

The sides may meet this afternoon, since on Wednesdays the branches are in any case shut, and the management will be able to pretend that there are no work stoppages at the time of the negotiations.

Arafat says UN peace plan for Mideast ready

AMMAN (AP). - PLO chief Yasser Arafat said yesterday that UN Secretary-General Javier Perez de Cuellar has prepared a peace plan to end the Israeli-Arab conflict.

Arafat, on a visit to Amman, told a press conference yesterday that Perez de Cuellar had "prepared a draft plan for peace, and we have accepted it. He is now discussing it with the Soviet Union."

Arafat refused to give any details of the plan. Arafat met with the UN secretary-general last week in Geneva and on Monday he briefed King Hussein on the outcome of his Geneva talks.

Jordan has also been calling for an international conference to be held under UN auspices, with the participation of "all parties concerned" and of the five permanent members of the Security Council.

Perez de Cuellar promoted the idea of an international conference following a recent visit to the Middle East. But Israel has adamantly rejected the idea.

Sharon makes TV campaign debut

By SARAH BONIG
Post Political Reporter

TEL AVIV. - Former defence minister Ariel Sharon made his debut last night on the Likud's television election spots, outlining his party's policies on settlement in Judea and Samaria and the country's borders.

Before this appearance, political circles were buzzing with rumours that Sharon had been put in political cold storage by his own party leaders. But it transpired that plans to put him on TV as one of the Likud's bigger vote getters had existed for weeks, but had to be postponed because Sharon had lost his voice due to his four or five daily electioneering appearances.

Yesterday Sharon gave a televised tour of Judea and Samaria settlements and said that Ben-Gurion Airport and the entire heavily populated central region of the country would be in the range of terrorist fire if the Alignment proposal to demilitarize Judea and Samaria were put into effect.

"In that case, only the PLO would be free to operate from the territories," he said. "The lines would be too long to defend, and the Arabs would straddle the mountaintops while we would be sitting ducks below." Sharon said, posing with former slum-dwellers in a new Samaritan settlement.

No Likud comment on 'deal' with Weizman

TEL AVIV. - Likud sources yesterday described as "not worthy of comment" a report in this week's issue of the *Ha'olam Hazeh* that the Herut leadership has decided to offer Ezer Weizman a deputy membership to enable them to form a coalition after the elections, and has committed itself to making Weizman prime minister some time after Yitzhak Shamir forms his government.

Weizman's Yahad Party headquarters refused to comment on the report.

FREE TRADE

(Continued from Page One)

that although Downey's bill is expected to win passage in the House Ways and Means Subcommittee on Trade during the coming session, it is still "touch and go" whether the full committee will have the time or inclination to approve it, given the continuing opposition of some American industries.

For one thing, the position of powerful committee chairman Dan Rostenkowski, Illinois Democrat, is unclear.

Even if it should pass the committee, bringing it to the House floor for consideration and then having the Senate go along with that version in a conference committee is remote, according to congressional sources.

Some pro-Israeli backers are therefore suggesting a third route for providing the administration with the necessary congressional authorization. That would simply result in an amendment's being attached to some pending trade bill under consideration.

The problem in this case, according to experts, is that several trade-protectionist groups would seek to include other amendments in such an omnibus trade bill, possibly setting the stage for a veto of the entire measure by President Reagan.

While Reagan favours the free-

trade agreement with Israel, he and his advisers strongly oppose other protectionist legislation.

A delegation from the office of the U.S. special trade representative is due in Israel next month to continue negotiations.

Patt told Israeli reporters late last week in Washington that the Americans will resume drafting the actual document when they arrive in Israel in August, thereby setting the stage for the possible signing the following month. Patt said Brock himself would come to Jerusalem to sign for the U.S.

But in addition to the congressional hurdles, there are still several substantive differences between Washington and Jerusalem in the actual negotiations.

The administration, for example, is still opposed to Israel's heavy subsidies to export industries. There is also reportedly strong U.S. pressure on Israel to back down from its long-standing position that its balance-of-payments deficits should automatically enable it to impose "temporary" measures involving surcharges and other trade barriers to reduce imports.

Israeli officials have expressed concern that the cut-off free-trade agreement may be endangered unless enacted during this presidential election year.

Stiffer sentence sought in terror case

The states attorney yesterday appealed to the Supreme Court to stiffen the sentence handed to Jewish underground member Noam Yinnon, who was convicted of transporting 50 mines and sentenced to 1½ years in prison; and given a further 1½ suspended sentence.

Yinnon, 27, of Moshav Keshet in the Golan Heights, was found guilty of transporting the mines from Keshet to Moshav Nov, also on the Golan Heights.

The appeal, presented by State Attorney Yona Blatman, contends that the sentence, handed down by Jerusalem District Court Judge Shalom Brenner, was "exaggeratedly light in consideration of the severity of the offence and the circumstances under which it was carried out."

The appeal said that Brenner had "erred" when he ruled that leniency was indicated because Yinnon "never expected or even suspected that the mines were to be used to hurt human beings."

The state maintains that this ruling does not jibe with the facts and

circumstances of the crime or with the serious nature of transporting such a large quantity of explosive material.

"Transporting the mines in the dead of night, in the most secret fashion, coupled with the request to Yinnon to do it 'for the good of the Jewish people' and Yinnon's background as a former paratrooper, leads to the conclusion that he knew he was transporting explosives with a great potential for destruction, both of human life and of property," the appeal said.

The appeal pointed out that since Brenner himself noted that the potential damage from such a quantity of explosives was "tremendous," he should have decided on a more appropriate punishment.

The district court did not attach the called-for weight to the unusually large amount of explosives involved and therefore "deviated substantially from the accepted sentencing policy in this type of case," the appeal concluded. (Itim)

Knife, identity card lead to murder suspect

A blood-stained knife and an identity card have led police to the man they suspect of having murdered Sarah David, 41, in her apartment in the Neve Ya'acov quarter of Jerusalem on Monday night. The man, aged 50, a stallkeeper in the Mahane Yehuda market who lives in the Katamon quarter and is the father of five children, has reportedly confessed to the crime. The police say he was the woman's lover. He is to be brought to the Jerusalem Magistrates Court today for remand in custody.

The woman's body was found at 7 p.m. on Monday by her son, who had returned home. Near the body, the policemen found the kitchen

knife that is believed to have been the murder weapon. The identity card led them to the Katamon flat of the man who initially denied any connection with the crime, but bloodstains on his clothes aroused their suspicions.

He reportedly broke down and confessed during interrogation. He is said to have told the police that he and she got into an argument over money during his visit on Wednesday afternoon. He lost control and cut her throat with a kitchen knife.

David used to steal money from him while he took a shower after they had had sex; and on Monday she took IS9,000 from his pockets, he reportedly told the police. (Itim)

Yad Harav Herzog MEMORIAL MEETING

To mark the 25th Yahrzeit of
Hagaon Harav

Yitzhak Aizik Halevi Herzog
Chief Rabbi of Israel

Addresses:
Chaim Herzog - President of Israel
Hagaon Harav Avraham Shapira - Chief Rabbi of Israel
Hagaon Harav Yitzhak Koltik - Chief Rabbi of Jerusalem
Dr. Zerah Warhaftig - former Minister of Religious Affairs
Chairman:
Harav Yehoshua Hutner - Director of Yad Harav Herzog
The meeting will be held on Thursday, 19 Tammuz, 5744 (July 19, 1984) at 5:00 p.m. at Yad Harav Herzog, Binyan Vegan, facing Mt. Herzl, Jerusalem (Entrance through the Municipal Garden).

A graveside memorial service will be held on the same day, at 4:15 p.m. at the Sanhedria cemetery.

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NEENA KRAMER

Her Family and Friends

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NEENA KRAMER

beloved board member

Tel Aviv Voluntary Tourist Service

HOME NEWS

NEW ANALYSIS / Roy Isacowitz

Wage accords herald union decentralization

The new wage agreements in the public and private sectors should bring relative quiet to the labour front until the formation of a new government. Rumblings are still being heard from many labour quarters, but the prime issue — the lack of work agreements since the previous ones expired at the end of March — has been defused, if only temporarily.

As is to be expected in a period of hyperinflation, the agreements are concerned solely with wages. The other concerns of past framework agreements, such as work conditions, pensions and retraining, are being dealt with on the sub-committee level and will only be finalized after the elections.

The two agreements, which cover the bulk of the country's salaried workers for the period ending April 1986, form a package with the cost-of-living agreement that was signed about three months ago. Their purpose is to safeguard the real value of wages, by compensating workers for future erosion due to inflation, as well as for erosion since October last year.

The latter point was at the heart of much of the disagreement during the negotiating process. While the Histadrut demanded that 1984 wages be compared with those of 1983 — the Treasury insisted that 1982-1983 wages be used as the basis of comparison. The difference is substantial, given the considerable rise in the standard of living in most of 1983.

In the public sector, workers will receive a 10 per cent raise next month and two or three further payments over the next five months. The total cost of the package to the government and public employers this year will be 15.8 per cent higher than the present wage bill.

Private sector workers did less well. Their only guaranteed increase is the 9 per cent starting next month. Another 1 per cent will be paid "at an agreed date," and may be paid into pension funds instead of directly. In addition, the wage situation will be re-examined in October and next April (when the second year of the agreement begins) and adjustments will be made accordingly.

The added cost of the agreement to the private employers will be a minimum of 7.5 per cent this year. Taking plant-level agreements into account, it is unlikely to rise above 12 per cent.

All things considered, therefore, workers in the industrial sector are likely to receive an increase averaging some 4 per cent less than those in the services.

A look at the public-sector agreement in conjunction with the recent C-o-L agreement gives some indication of the thinking behind the wage policies of the Treasury and the Histadrut.

The C-o-L agreement specifies that compensation will be paid monthly at a rate of 80 per cent of the consumer price index, whenever the consumer price index rises above 12 per cent a month. According to Histadrut calculations, the built-in erosion of the agreement (due to the difference between the actual rate of inflation and the 80 per cent rate of compensation) will run to 9.8 per cent this year.

Therefore, 9.8 per cent of the 15.8 per cent increase granted in the framework agreement is earmarked to cover anticipated erosion during the 1984 financial year. The remaining 6 per cent will be paid as compensation for past erosion, which has been calculated at anything between 2 per cent and 9 per cent since October. In sum, the framework agreement will probably provide a hedge against the structural erosion of the C-o-L agreement, as well as substantial, if not total, compensation for past erosion. It is unlikely to raise the real value of wages.

Acceptance of the Histadrut's original demand of an average 22 per cent wage hike would have increased real wages by about 6 per cent. The Treasury's original offer at 8 per cent would not even have covered the erosion factor in the C-o-L agreement. The real value of wages would have dropped to their level of two or more years ago — which was Finance Minister Yigal Cohen-Or's intention until elections demanded a change of plan.

The private employers maintain that the increase paid by them should be substantially lower than that in the public sector, because they still have to negotiate with the workers on the plant level. Their argument has been answered — and, in the Histadrut's view, more than answered — by the private sector agreement's clause ruling out union level negotiations.

If the private employers manage to limit their factory-level concessions to the 8 per cent margin allowed for union negotiations in the public sector, their total wage bill this year should not be more than 12 per cent higher than it is now. Metalworkers and Engineers Union Secretary Yitzhak Giladi has pointed to the anomaly of industrial workers' receiving substantially less than their counterparts in the services, when the consensus is that the country needs to turn sharply away from the services and into production.

The private employers' other argument — that they, unlike the government, are not in a position to print money to pay their bills — is both justified and an indication of the serious shortcomings of the system of framework agreements. Though the Treasury fights to keep increases low in order to preserve its wage policy, such as it is, it knows that ultimately it can meet the bill — simply by printing the money.

Some industrial sectors, on the other hand, face serious financial difficulties and cannot afford to pay ever-higher wage bills, no matter how justified the workers' demands for compensation. If productivity does not increase and markets do not improve, they may be forced to trim their work forces or even close plants.

The centralized negotiating system, in which the Histadrut represents the entire spectrum of unions, does not take the differences and the specific problems of the various branches sufficiently into account. As Giladi pointed out, while the textile industry may be hard-pressed to pay the increase, the electronics industry, considered the "wave of the future," is in a position to do so, and should take the specialization and national importance of its workers into account.

A similar point has been made for years by the Engineers Union, which recently demanded and won the right to negotiate a separate, unlinked wage scale on the basis of its members' superior education and contribution. Both the metalworkers and the engineers are saying, in essence, that work specialization demands special remuneration. The corollary is that industries employing specialized workers are usually in a good position to pay for them.

The engineers' new status of semi-autonomy within the framework of the Histadrut and the strong reservations of the metal workers represent a further breakdown of the centralized Histadrut system. Henceforth, the engineers, like the teachers and the doctors — all professional unions — will negotiate directly with the employers, instead of through the Histadrut's Trade Union Department.

It is a sign of the times. Inflation and the consequent obsession with wages have made workers jealous of their skills, while the increasing sophistication of local industry has made comparison between workers and comparison between companies inevitable.

The result can only be a further decentralization of the outdated union system.

'Deranged' man drives up to Temple Mount

Jerusalem Post Reporter
A 31-year-old Jerusalemite, described by police as "deranged," was arrested yesterday after allegedly kidnapping a 16-year-old boy and driving a car up the ramp leading to the Temple Mount.

The man, apparently a yeshiva student and wearing the clothes of the Haredim, grabbed the boy early in the morning in the Beit Yisrael neighbourhood, forced him into his sedan and drove towards Mt. Zion, police spokesman Rafi Levy said. The youth said the man spoke "weirdly about the Messiah and about going to King David," Levy said.

The youth is also reported to have told the police that they reached Mt. Zion at about 7 a.m., drove through the Zim Gate and then headed for the Western Wall. There, the man drove up the footpath leading to the Moghrabi Gate that opens onto the Temple Mount. Only at the green doors of the gate did he come to a halt.

At that point, policemen surrounded the car. The man then locked the doors and closed the windows. Policemen smashed one of the

windows in order to arrest him, Levy said.

The police expect to ask the magistrate to remand the man into custody within the next 24 hours. He will be charged with kidnapping and damages, but not with attempted illegal entry into the Mount.

According to Levy, the man said he lost his way, but other police sources said yesterday that he "is clearly deranged and we expect the judge to send him for observation, rather than have him remanded into custody."

The police did not get very far in their interrogation. What they know about him is based solely on documents he was carrying, rather than on anything he told them. "He's answering our questions with completely irrelevant replies," said a police source.

The 16-year-old was sent home after the police took a statement from him.

Moslem authorities on the Mount closed the doors of the Dome of the Rock and the Aksa Mosque in response to what they call a "sabotage attempt." The Aksa mosque was expected to be open today.

Herzl to be honoured annually on Zionism Day

Jerusalem Post Reporter

TEL AVIV. — The 20th of Tammuz, the anniversary of Theodor Herzl's death, will henceforth be celebrated annually as Zionism Day. Arye Zimsky, chairman of the Zionist Council in Israel, told a news conference yesterday.

This year, on the 80th anniversary of Herzl's death, the occasion will be marked by special meetings of the cabinet, the Zionist Executive, local councils and Zionist organizations in Jewish communities abroad. Since the 20th of Tammuz falls on Friday (the day after tomorrow) this year, the celebrations have been moved up to

tomorrow to avoid desecration of Shabbat.

Members of the Zionist Council will be received at Beit Hanassi tomorrow morning and an evening ceremony on Mt. Herzl is to be attended by President Herzog, World Zionist Executive chairman Arye Dulzin and an audience of olim, youth groups and tourists.

There has always been a modest ceremony on Mt. Herzl on the anniversary of Herzl's death, but this year the ceremony, including a sound-and-light show, is meant to be the springboard for educational activities that will continue for months to come.

2 men suspected of setting TA club on fire

Jerusalem Post Reporter

TEL AVIV. — Two Tel Aviv men aged 39 and 30 were arrested yesterday on suspicion of conspiring to set fire to Club A three weeks ago. One of the suspects is a manager of the club and the other a relative of one of the owners.

The club, in Rehov Yirmiyahu, was destroyed by the fire. Police experts and fire fighters discovered that one of the club's doors had been left unlocked and an empty can of flammable fluid was found on the stairs.

Although the police have cloaked their investigation with secrecy, it is learned that the club's visitors' book disappeared a few days before the fire. The police investigators have questioned dozens of people, among them one of the club's owners, who said she knew nothing of the intention to burn the club down. A lie-detector test supported her statement.

The two suspects denied any connection with the fire. Additional arrests are expected.

MDs find patients do better at home

By D'VORA BENSHEAU
Jerusalem Post Reporter

Elderly patients seem to have a better chance of recovery from a fractured femur if treated at home than if treated at an institution, two Tel Aviv University medical school researchers have found.

In a study published recently in *Harefuah*, journal of the Israeli Medical Association, Doctors T.

Hallel and A. Gelvan report that 56 per cent of 289 elderly persons studied died within one year after falling and fracturing their femurs and being institutionalized.

Only 10 per cent of those cared for at home died within a year.

The doctors also found that 40 per cent of the Ashkenazi patients and only 20 per cent of the Sephardim were institutionalized after the accident.

TV team leaving to cover Olympics

By GREER FAY CASHMAN
Jerusalem Post Reporter

The 18-member Israel Television team covering the Olympic Games is to leave for Los Angeles today. The group was scheduled to fly on Sunday, but was held back by a work dispute by television technicians.

Until late Tuesday afternoon direct telecasts of both the Knesset election and the Olympics were in jeopardy because technicians were refusing to work overtime unless the Broadcasting Authority agreed to abide by a three-year old ruling on overtime pay determined by Technicians' Union secretary Zalman Shenkman.

According to a recently discovered in-house memo signed by former authority deputy director-general Shlomo Abady, Shenkman's arbitration had been accepted only

with regard to one issue and was not to be considered a precedent.

Following the intervention of the authority's Director-General Uri Porat, an agreement was reached on Tuesday which an authority spokeswoman said was within the framework of existing authority work agreements.

Meanwhile, about 180 members of the Israeli Olympic team arrived Monday at Los Angeles International Airport, under the watchful eyes of police special-weapons teams.

"Part of our tactic is to be there in force, but not to have high visibility," a police officer said.

Another police officer said six uniformed officers were in the terminal and the special-weapons team was perched on rooftops while the Israeli athletes completed their immigration procedures.

Late hero's award split with Libi Fund

By AARON SITTNER

The parents of a soldier who lost his life rescuing people from a burning hotel have donated half of the IS120,000 Good Citizenship Award given to their son to the Libi Fund, which supports educational activities among Israel Defence Forces personnel.

Oren Ben-Yishai, 19, of Dimona, died on February 5 in a fire in the Moriah Hotel on the shore of the Dead Sea. He had been on a bus returning to his base when he saw the fire, told the driver to stop, ran to the hotel and helped people to safety.

The Good Citizenship Award is to be presented once a month. It is sponsored by an anonymous donor who a few weeks ago established a IS6 million fund for the award to mark the 50th anniversary of his immigration to Israel.

LICENCES. — The Transport Ministry's vehicle and drivers licensing bureau opened a new branch in Meyerhof Square in Haifa's Kiryat Eliezer district last week.

IPO wins accolades in Australian capital

Special to the Jerusalem Post

MELBOURNE. — Australian Prime Minister Bob Hawke and other top government officials, as well as Israeli Ambassador Yissachar Ben-Yaacov, and 38 of 42 foreign envoys — among them the ambassadors of Egypt, India and Turkey — stood to attention for *Haikiva* and the Australian national anthem at the Israel Philharmonic Orchestra's concert in Canberra, this week.

This was the central event of the orchestra's tour of Australia. Conductor Zubin Mehta and soloists Shlomo Mintz were called back to the stage repeatedly by an exhilarated audience, and crowds gathered outside the hall in cold and rain to show appreciation to the Israeli artists.

Haifa reveals budget

Jerusalem Post Reporter

HAIFA. — The municipality's budget for the 1984-85 fiscal year has been set at IS14,547,000. A further IS3,837b. will go towards development projects, the City Hall spokesman reported yesterday.

He said that because of inflation the figures "would have to be adjusted every quarter and that in real terms, the budget has not grown."

The budget, agreed upon by the joint management and finance committees, has still to be ratified by the Interior Ministry.

Mayor Arye Gurel said that after receiving a consolidation grant from the Interior Ministry to pay off outstanding debts, the municipality has undertaken to cut expenditures by reducing personnel.

The spokesman told *The Jerusalem Post* that it is too early to say where the cutbacks will be made.

The Religious Worker in Hamaarach: Judaism on the paths of pleasantness — the hope of us all

The polarization into religious and secular camps is causing us all increasing concern. We see how political bargaining increasingly distorts the way of religious Zionism, so that it now resembles a narrow lane of fanaticism and extremism.

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Religious workers in Hamaarach have many achievements to their credit: fraternity of the religious and the secular, the building of synagogues in kibbutzim, moshavim, and workers neighbourhoods, the return to kashrut of workers canteens previously neglected, the giving of Tora lessons to young people in small settlements, the provision of religious requisites for all, without regard for political affiliation.

The religious worker calls on you to join him, for the sake of tolerance, fraternity, and communal peace.

We must renew and promote the true partnership between religious Zionism and the labour movement, in order to strengthen working Eretz Yisrael and the values of Eretz Yisrael, and thus strengthen Zionism.

On July 23, choose our way, Judaism on paths of pleasantness and peace.

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המארח

Reagan condemns Soviets as ungodly, ugly tyranny

WASHINGTON (AP).—Portraying Communist rule as a tyranny that "puts itself above God," President Ronald Reagan has said the peoples of the Soviet bloc "were taken captive by force and remain captives by force."

In a ceremony Monday marking the observance of "Captive Nations Week," Reagan said that the "ugly,

sinister walls" of the Soviet system "continue to deny for the millions trapped behind them the most basic yearnings of the human spirit."

He signed a declaration pledging the U.S. to renew efforts to encourage freedom and national independence "for those countries struggling to free themselves from Communist

ideology and totalitarian oppression."

There is "no difference between the weapons used to oppress the people of Laos and Czechoslovakia, and those sent to Nicaragua to terrorize its own people and threaten the peace of its neighbors," Reagan said.

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Gilgi

GILGI HAUSER — KALINA Phone The Jerusalem Post, Tel Aviv, 03-294222, or 03-411773.

In an interview with the Independent Television World in Action programme screened Monday night, Peter Wright, who retired from MI-5 in 1976, said: "Intelligence-wise, it was 99 per cent certain that he (Holis) was a spy."

Wright's remarks clashed with Prime Minister Margaret Thatcher's statement to the House of Commons on March 26, 1981, that intelligence chiefs had investigated Holis but had found no conclusive proof he spied for the Soviets.

"This is a masterly piece of Whitehall deception, because there

Mario Cuomo ignites Democrats

SAN FRANCISCO (AP).—As Walter Mondale courted his two opponents face to face, the Democratic National Convention embraced a new hero in Mario Cuomo, who rallied the party to his vision of the future and his vow: "Democrats did it and Democrats can do it again."

Aides to the three candidates — Mondale, Gary Hart and Jesse Jackson — were to meet yesterday to see if they could resolve their bosses' differences over party planks on the use of force abroad, on justice, jobs and peace.

But Monday night belonged to Cuomo, New York state's governor, a new face on the national scene, pegged by the professionals as a likely presidential contender in some future Democratic convention. He electrified the delegates by recalling their party's vision of a compassionate government that honours hard work. His delivery and timing rivaled the artful Republican in Washington, Ronald Reagan.

Mondale telephoned to congratulate Cuomo after two curtain calls and Cuomo's podium embrace of former Democratic president Jimmy Carter.

Shouts of "Mario, Mario" rang in his ears as he left the podium after stirring the crowd of 3,933 delegates. "For the love of this great nation,

for the family of America, for the love of God, please make this nation remember how futures are built," he said.

Mondale, with more than enough votes to nominate himself and running mate Geraldine Ferraro — chosen after Cuomo took himself out of contention — attended a peace meeting with Hart and Jackson Monday night.

They appeared together afterwards and said that while significant differences remain among them, they are more in agreement than disagreement.

Cuomo said that Reagan's policies could "lead us to bankruptcy or war. Our policy drifts with no real direction other than an hysterical commitment to an arms race that leads nowhere — if we're lucky," he said. "How high will we pile the missiles? How can anyone say that we are safer, stronger or better? Where would another four years take us?" That was a rhetorical reply to Reagan's question from 1980, "Are you better off now than you were four years ago?"

Cuomo said it's up to the Democrats to ask people to consider "how much worse it will be if (Reagan) is left to his radical proclivities for another four years unrestrained by the need once again to come before

the American people."

Cuomo appealed for party unity, and said in contrast that Republican policies "divide the nation into the lucky and the left-out, the royalty and the rabble." He decried the current federal budget as "the largest in the history of the universe."

Carter, who preceded Cuomo to the platform, launched an attack against Reagan, who routed him in the 1980 election.

Carter said that under Reagan, the U.S. has "acquired a reputation for unwarranted belligerence," and withdrawn from the worldwide battle for human rights.

Mondale and Ferraro came to San Francisco earlier in the day to await their installation later in the week as the Democratic ticket. She had the lead role at two arrival rallies and said that "What this ticket is all about is not what America can do for women but what women can do for America."

Mondale had resisted a three-candidate meeting before the nomination. Bert Lance, newly installed as general campaign chairman, set up the session after he met with Hart and Jackson, and said later, "This is the time for us to begin the healing process in the Democratic Party."

UK dock strike affects vegetable supply

LONDON (AP).—Striking dockworkers joined in a new mediation effort yesterday as their seven-day-old stoppage bit deeply into Britain's fruit and vegetable supply and stranded hundreds of trucks on both sides of the English Channel.

Leaders of the Transport and General Workers Union, representing the 35,000 dockers, were closeted with officials of the government's Advisory, Conciliation and Arbitration Service. Mediators had met late Monday with officials of the National Association of Port Employers.

Nape director Nicholas Finney said "we've got to be hopeful" that the dispute — over the use of non-union labor — can be settled quickly. But union officials said they could see no early end to the stoppage, an

outgrowth of the four-month-old coal strike.

Face-to-face talks between union and the docks' management broke down last Friday.

The strike has closed some 90 ports to freight, including London, Liverpool, Dover — the chief English Channel ferry port — and Felixstowe — the largest container port.

As long lines of trucks built up on roads leading into the ports, more than 1,000 trucks, many with perishable cargoes of meat and produce, were stranded at Calais, the principal French port for ferry crossings to England. British officials there reported.

Sidney Garber, deputy president of the National Federation of Fruit and Potato Traders, said the strike already was a "disaster" for fruit and vegetable growers and could soon become one for householders.

"There's a very distinct shortage of all produce that is coming in from Spain, Italy and France," he said. Supplies of peaches, nectarines and plums are "non-existent," while other stocks "will expire, I'm certain, by the end of the week."

Prices for some items soared. Tomatoes were up by 20 pence a pound, costing as much as 70 pence a pound. Hercules transport planes were making emergency flights to bring in tomatoes from Guernsey.

But Garber said: "Air freight costs a lot of money. The price rises will never be the equivalent of the extra costs involved. In the end, the grower always gets hit, the small growers in the West Indies, the small growers in Guernsey, indeed the small growers on the Continent."

India police block march on Golden Temple

AMRITSAR, India (AP).—Indian police and paramilitary troops broke up another attempt by rebellious Sikhs to march on the Golden Temple yesterday and arrested 14 people for violating curfew, witnesses said.

The arrests were made as the group left a nearby shrine where a similar protest had been organized on Monday, resulting in the arrest of 125 Sikh women.

The unarmed, self-styled "suicide squad" of protesters were demanding the withdrawal of government troops from the battle-scarred temple where repair work began yesterday by a rival Sikh faction.

The leader of a rival group, the Nihangs, said in an interview that the Akali's Dal political party should not regain control of the Sikh's holiest shrine because their management committee had allowed weapons to be stored there.

About 150 Nihangs moved into the Golden Temple although they were condemned by the Akalis as traitors for striking a deal with the government while army troops still occupied the complex.

As a strict curfew remained in force and the Sikh's factional split widened, army Lt. Gen. K.S. Brar ruled out any early resumption of talks, broken off earlier, on a military pullout.

"I don't think there will be any negotiations between the Akali Dal and the army. The army will not withdraw for some time," he told reporters.

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Sakharov, a Nobel Prize winner and human-rights activist, has been in exile in Gorky for several years.

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Following the June 5 army assault on the temple to subdue Sikh revolutionaries, authorities claimed they found huge stockpiles of small arms, automatic weapons and explosives hidden inside.

About 125 hymn-singing Sikh women were arrested Monday night when they tried to march to the Golden Temple to wrest control from the army. As they were hustled away, the women shouted, "Down with Mrs. Gandhi" and "President Zail Singh is a traitor," but no violence was reported.

The army said more than 600 Sikhs and soldiers were killed in the assault on the temple, but other sources said more than 1,200 died in the two-day battle.

Jackson visit to Soviet Union 'last hope' for Sakharov

SAN FRANCISCO (AP).—The daughter of Soviet physicist Andrei Sakharov met with Jesse Jackson on Monday and said a Jackson trip to the Soviet Union "would be one of our last or one of our very, very few hopes" for her parents' well-being.

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Iraq reports downing Iranian war plane

BAGHDAD (AP).—Iraqi air defenses yesterday shot down an Iranian fighter in the southern sector of the common border line, an Iraqi military spokesman announced.

"Iraqi air defenses confronted the enemy fighter and downed it. The plane crashed into Iranian territory opposite the forwardmost Iraqi positions," the spokesman added.

China gives Egypt anti-sub naval units

CAIRO (AP).—Egypt has received three Chinese-supplied anti-submarine naval units that will be commissioned by Defence Minister Field Marshal Abdel-Halim Abu Ghazala on July 26, the Middle East News Agency said yesterday.

The agency said the new additions were part of a plan to develop and modernize the Egyptian Navy.

Another retired British spy, Leo Long, now a film-company executive, confessed to being the ring's "fourth man" in 1981.

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Sports

Swiss here

By JACK LEON Post Sports Reporter

TEL AVIV.—Swiss tennis ace Heinz Günthardt, one of Europe's top 10 players in both singles and doubles, arrived here on Monday night with his brother and doubles partner Markus, to lead his country's Davis Cup challenge in the European Zone A semi-final tie against Israel starting tomorrow at 1 p.m. at the Ramat Hasharon's Israel Tennis Centre. The winners go through to the final final against the Soviet Union.

Günthardt, 25, who started his very successful Davis Cup career with Switzerland back in 1976, said yesterday: "If we did not think we can win, we could not be here, but the two teams seem to be evenly balanced." After his first sessions of familiarization training at Ramat Hasharon, Günthardt stated that though he had not played on hard courts for a long time, he was happy with their pace and the surface should not present any special problems to him.

In the other camp, there is an optimistic view of the host's prospects from the team's professional adviser Allen Fox, a leading American sports psychologist who filled a similar role in Israel's sweeping 3-0 second-round Davis Cup triumph against Poland in Jerusalem last month.

"Though Israel starts as underdogs, we still have a good chance of beating the Swiss," he told me. Fox, a former U.S. Davis Cup racket and Maccabiah champion, said that the Israelis had received a tremendous psychological boost from the success against Poland. "Our guys really have a lot of guts, and at the crunch they can be relied on to do well."

President Chaim Herzog will be the guest of honor at the official opening of the event, to be held on Friday at 2 p.m., prior to the doubles match. The tie starts tomorrow with the two singles matches, which will be played on Sunday. The draw takes place today at the Ramat Hasharon's Israel Tennis Centre. Pierre-Yves Simonin and Mrs. Simonin, under the supervision of international referee Freddy Richter, from Yugoslavia, umpires will be: Albert Kasper, Swiss; Herbert Grunert and Danny Kelly.

MOSCOW (AP).—Soviet tennis player Vasil Borovik defeated Austria's Bernhard Pich yesterday in a rubber-delayed match that gave the Soviet Union a 2-1 victory in the Davis Cup semi-finals and a berth in the finals of the European Zone A zone, Tass reported.

It took Borovik only 29 minutes to finish off the decisive match, defeating Pich 6-2 in a rubber-delayed match that was started on Sunday, stopped by bad weather and resumed Monday by last weather. In the Latvian city of Riga.

The match score was 6-4, 6-2, 6-2.

In the A zone finals, the Soviet team will play the winners of the series between Switzerland and Israel.

Girls' great win

By JACK LEON Post Sports Reporter

TEL AVIV.—Israel scored a superb 3-0 victory over Peru on Monday in the opening round of the 22nd annual Federation Cup world team tennis championship for women, taking place this week in Sao Paulo. Thirty-two countries are competing in the main draw of the meet, popularly known as the "women's Davis Cup" — which was preceded by a weekend qualifying tournament.

Israel's success was spearheaded by 20-year-olds Orly Bialostocki and Rakefet Binnyami, who both won their singles matches. Binnyami teamed up with Sagit Doron, 19, in the doubles. Since Bialostocki and Binnyami made their Federation Cup bow together in 1981, Israel has won all her four opening matches in the main draw, but in each of the past three years she then lost in the second round.

Peru were seriously weakened by the absence of their No. 1 racket Laura Araya — currently ranked 20th in the world — but their team still included Pilar Vasquez, who is 69th in the women's world rankings.

En route to Brazil, the Israeli team last week scored five victories over Belgium and Spain in the Tompkins in the competitive plate event of the annual Amie Stalmarkt Cup international team competition for girls under-21. But Israel — who lost to the Soviet Union in the consolation final — were beaten by Yugoslavia, East Germany, Sweden, West Germany, the Soviet Union, Australia, Bulgaria, Yugoslavia and Belgium also won their opening matches to qualify for the second round of the Federation Cup.

Discard in form

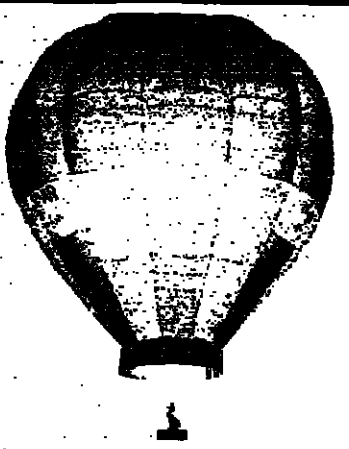
LONDON (AP).—England test discard Derek Randall and New Zealanders Richard Hadlee, who has pulled out of his country's series, have put Nottinghamshire on top of the English County Championship table.

Nottinghamshire beat Worcestershire in just two days in Trent Bridge pitch which has been reported to be in the best condition for a long time.

England test discard Derek

HIGH NOON

POST MORTEM
The fourth in a
series of articles
on Israel's
'Boursamania'
by the Post's
PINHAS LANDAU



IN THE SECOND half of 1982, it was sufficient for the word to get about in stock market circles that "Rieger-Fishman" were involved, or even interested, in a given share for that share to go berserk. It would be the target of massive buying pressure and its price would zoom off into the stratosphere, leaving economic valuations far behind.

Yossi Rieger (ex of Bank Hapoalim and joint inventor of the regulation system of bank share management) and Eliezer Fishman were two Tel Aviv-based wheeler-dealers who joined together to form an investment group, using their own money and that of their friends and acquaintances from both Israel and abroad. As they grew rapidly bigger, they began channelling their investments through mutual funds that they set up, the most famous of which was Ronit. Within a short time they were in control of a burgeoning empire which soon became the biggest hit on the bourse, and began to rival even the mutual fund groups of the big banks in size.

In terms of importance, there was no doubt that the new stars outshone the old guard of banks and brokers; before long, they were leading the others by the nose, and their success had created new norms of manipulative behaviour.

The difference between Rieger-Fishman and the host of portfolio managers that grew up like mushrooms in that remarkable year lay more in size than in sophistication. In theory, there was an advantage in terms of brains that should have helped the duo to prominence. In practice, they got there by sheer brawn, using the enormous buying power at their disposal. They managed vast sums and their customers included both foreign investors and one of the two big kibbutz movements.

The upshot of all this was that Rieger-Fishman mutual funds started managing "running projects" on shares which had hitherto always been considered "heavy," meaning that they had a large float and were under the wing of one of the major bank groups. It is impos-

ble to exaggerate the importance of this development; it changed all the known rules.

Imagine, then, the consternation in Hevrat Ha'ovdim circles when it was realized that the new group was in effective control of such previously solid shares as Hapoalim Investments and even Hassneh, the largest insurance company in the country. These and other shares, including Ata, Ispro, Fibi and many others, were ruthlessly "run" by the Rieger-Fishman machine with a crude disregard for any "orthodox" opinion and on a scale that surpassed anything previously seen, or even imagined.

The monthly yields that Ronit and other funds in the group achieved for their investors created a growing diversion of money from the banks' mutual funds to those of Rieger-Fishman. Success fed on itself and the new money made them even more powerful. The fund managers in the banks decided to join the game and play by the new rules, before they were forced to withdraw altogether. Each fund and each group picked its own targets and "ran" them as hard as it could. The market had reached boiling point.

But behind the scenes a subtle change in the make-up of the market was taking place. Not only were dozens of new companies taking advantage of the free-for-all atmosphere by raising capital from the indiscriminating public - with over-subscriptions for the two-bit issues running to over 100-fold - many institutional shareholders in existing companies were selling their holdings at grossly inflated prices which they knew bore no relation to reality.

To take just one example, P.E.C., an American investment company in the Discount group, threw its 14 per cent holding in Fibi, the parent company of the First International Bank, to the Rieger-Fishman group at a ridiculous price, and chalked up its biggest ever annual profit as a result.

Yossi Rieger was too good an economist not to know what things were worth; one can only assume that he, too, believed that only the

amount of money available mattered. When someone asked him why the Ispro property company should stand at a market value of \$150 million when its assets were only worth \$30m, at most, he replied that the company would yet stand at a valuation of one \$1b. - if he so desired.

In the last mind-boggling weeks of 1982, the bubble was fully formed and it began to wobble, but too imperceptibly for the masses to see. It was estimated that 700,000 households were invested in the bourse. The professionals saw the writing on the wall, however. Moshe Lavi, one of the "old foxes" of the private brokerage fraternity, noted that the mutual funds were frantically selling blocs of shares to each other, but no new money was coming into the market. He began withdrawing his client's funds from the general market, taking refuge in bank shares and foreign currency deposits. On the other hand, the banks were trapped.

If they tried to withdraw, they would precipitate the collapse themselves.

At the end of the year, the chairman of the stock exchange, Meir Heth, tried to push through some structural and regulatory changes regarding new issues and mutual fund management. When these were rejected he resigned, only to retract in return for promises that his reforms would be considered by a committee.

Heth held one of the most difficult positions in the country, caught in the role of sheriff between the mass of hysterical townspeople whom he was supposed to protect, and the outlaws he was required to control. Without assistance from higher authorities, for years he had been a voice in the wilderness. His annual reports on the stock exchange repeatedly calling for the introduction of measures that would begin the process of turning the bourse into something more like a genuine stock market.

SUDDENLY, in mid-January 1983, support appeared from an unexpected quarter. The Treasury accepted Heth's recommendations to reduce the maximum amount of its assets any single mutual fund could hold in one company from 10 to 5 per cent, and the amount held by a group of funds to 15 per cent of their total assets. Similarly, no fund could hold more than 5 per cent of a company (instead of 10 per cent) and no group more than 15 per cent.

Immediately following the publication of these ideas (they were not actually implemented until much later), mass panic broke out. Treasury officials hastened to trot out their "no need for alarm, the small investor will not be hurt" routine, but it was too late - the cat was out of the bag. The market went into a dramatic down-spin which surpassed in intensity any of the previous panics it had endured.

On January 19, 279 issues fell by margins of more than 5 per cent, with 142 taking the "sellers only" sign. That was only the beginning; matters got worse from day to day. On January 23, one exhausted broker emerged from the trading halls with the news that "they're chopping off limbs in there like an abattoir," and with 304 declines that day ranging up to 60 per cent of the value of individual issues, he was clearly not exaggerating by much. The selling wave peaked on January 25, and the week of falls had annihilated the Rieger-Fishman empire, whose shares had been the primary targets of the massacre.

Of the shares associated with the group, Ata "C" lost 68 per cent over the week. Fibi lost 60, Merav, 60, Ispro, 65, Aryeh, 56, Hassneh, 55 and Dead Sea - the last, disastrous acquisition by the now-desperate duo, fed to them by Bank Leumi with the intention of choking them, according to some sources - lost a cool 55 per cent as well. It was, as the cynics said, a week of "slaughter only."

Ronit, the Rieger-Fishman flagship, suffered enormous pressure from unit-holders demanding immediate redemption. The fund

lost 70 per cent of its value within a few days, and in the course of January shrank from an asset-value of over \$10b. (\$3b. no small sum by any standards) to about \$1.5b.

It was and remains a matter of amazement that Ronit was able to meet the demand for cash. Fishman said that he and Rieger sold all their personal share holdings, and took loans as well to raise the money. They got by with more than a little help from their friends in Israel and abroad.

No bank would help. Banking sources remember Rieger making the rounds of the banks' offices in Tel Aviv, cap in hand, and being turned away by one after the other.

They used their personal connections to raise funds, selling even their oil wells in the U.S. At the end of the day, or of the four days as it was, they somehow achieved the seemingly-impossible task and paid off everybody, although there are still court cases pending as to how the Ronit fund was evaluated during those days of "sellers only" in many of its constituent shares.

ONE CANNOT HELP being impressed by the lengths to which Rieger and Fishman went to meet their obligations, when the banks and the exchange itself were openly hostile and did nothing to assist them. The contrast is even more glaring in the light of the events of the following October, when the exchange played along with the banks and stopped trading for two whole weeks while the "arrangement" was being worked out. In January, nobody would stop trading for even one day to let the public calm down and the fund management organize itself.

At the end of that week, with Rieger-Fishman out of the way, the market stabilized. The assumption was that January 1983 would turn out to be a temporary event, however unpleasant, like the previous crises of November 1977 and February 1981 (and February 1982, for one or two dangerous days). The banks, after all, had not fallen - they had not been allowed to fall, by govern-

ment decree. A long-running debate began in the press and the public as to who was guilty, but otherwise calm was restored. At the end of April 1983, the total market value had recovered to over \$15b.

In May and June, however, the market was assailed by a prolonged selling wave which hit shares right across the board. This time all sectors fell sharply, except the banks, which continued to be supported. There was much less noise and fuss than in January, but the massacre was much more thorough for all that. The selling kept up for the rest of the year, climaxing in the last quarter, after the collapse of the bank shares. It really was just like 1929, which the pessimists had been using as a comparison all along: First a thunderous collapse of the main speculative vehicles; then a slow, inexorable grinding-down of everything else in wave after wave of selling, even when prices had regained rational levels. The general share market has yet to recover from its decimation in 1983. The basic cyclical process of all stock markets ensures that, sooner or later, there will be another round of boom following the long and bitter slump.

Yet everyone involved in the market, from exchange management to bankers to large investors, is in agreement that there is no fundamental change - not in the economy, and not in the structure and regulation of the capital markets. So long as hyperinflation continues, and the solid investor can maintain the real value of his savings through index-linked bonds and savings schemes, the share market will remain a speculative appendage.

Unless and until there are sweeping reforms in the obsolete laws and ridiculous trading methods that are still in use on the Tel Aviv bourse, there can be no doubt that the next time the market swings up, all the old problems will re-emerge and the gullible public will again fall prey to swindles, manipulations and its own greed for easy profits.

This is the fourth in a series of articles.

FIFTY INSTRUCTORS and professors in various fields of Judaica have spent ten days in Jerusalem in intensive workshops which end today discussing their various fields of expertise.

Sponsored by the International Centre for University Teaching of Jewish Civilization, these scholars were brought to Israel to meet with their local counterparts. With Judaica courses being taught today in 570 universities and colleges in fifteen countries excluding Israel, thousands of Jewish and non-Jewish students are now acquiring a Jewish knowledge.

The centre was established three years ago, as an answer to the follow-

Acquiring a Jewish knowledge

By DAVID GEFFEN/Special to The Jerusalem Post

ing challenge by Professor Moshe Davis of the Hebrew University. "In Judaism, the exemplary Jew is not merely the 'learned Jew' but the 'learning Jew.' The Jewish ideal and the university ideal converge. With Jewish learning as our aim, the university campus can now become a meeting ground for those committed to Jewish interests, to the withdrawn

and the searching. The university can thus become an arena for self-discovery and self-improvement as Jews."

With the number of Jewish college students at an all-time high around the world (between 350,000-400,000 in the U.S. alone) and with the number of colleges and universities offering Judaica courses also at a record, the time has seemed opportune to start an enterprise which brings together scholars to share the expertise in their respective fields. This type of interchange benefits the individuals involved due to the discussions and interaction between them. More significant is that it provides a framework for the development of repositories of curricula and even basic texts which could be used in Judaica courses throughout the world.

Philip M. Klutznick, chairman of the Board of Regents of the centre and formerly secretary of commerce of the U.S., noted in his annual report to the Board, "already one can begin to see the improvement in the quality of both teaching and

materials that are available at the university level and more is yet to come. The whole concept of Jewish civilization which has been at the lowest shelf of academic consideration as universities in the past, has gained a new stature and a new dignity to conform to what its essential merit has always been."

Under the sponsorship of the Office of the President since the board's inception, President Chaim Herzog has noted that the work of the centre "is affecting Jewish education on every continent" and that its labours are of "fundamental significance for the Jewish future." One of the most exciting aspects of the centre has been to observe the scholars' interaction with their colleagues. While most faculty members are involved in their own studies, the 50 scholars who assembled in Jerusalem for the present workshops have worked intensively to complete in the ten days of the workshops much of the work for the coming months ahead.

The workshops were held in four

different areas: Hebrew Language and Literature, Contemporary Jewish Civilization, Jewish History, Sephardic and Oriental Jewry and Jewish Political Studies.

"At the workshop on Jewish Political Studies under Professor Dan Elazar of Bar Ilan University, the objective was to prepare a textbook on Jewish Political Studies for university use."

Professor Harold Waller of McGill University in Montreal offered an analysis of the political structure of the Jewish community in Canada today.

The largest workshop in Contemporary Jewish Civilization, was chaired by Professor Haim Avni of Hebrew University. Over twenty different curricula for courses in the area were presented during the workshop. Topics dealt with included the Sociology of the American Jewish Community, Israel Society, Assimilation and late 19th and early 20th century Jewish History, Jewish Responses to Modernity and World Jewry today. Presented in

several languages the curricula represented courses being given in Argentina, Belgium, France, Canada, Italy, Mexico and the U.S.

The teaching of Hebrew Language and Literature workshop had participants from ten different countries. Teaching Literary Hebrew on the Intermediate level was the main theme of this summer's workshop. With the great interest in Hebrew today, participants have an opportunity to reach thousands of students on a regular basis. The work they pioneer will reflect itself not only at the universities but practically in every area where Hebrew is taught as a second language.

The fourth workshop dealt with the teaching of the social and cultural history of Oriental and Sephardic Jewry. Whilst progress has been made in this field in recent years, there is still much to be done. Professor Marc Cohen of Princeton University, who was one of the 15 participants of the workshop, presented a paper on "Jews under Medieval Islam."

The International Centre is funded by joint funds of the Jewish Agency and the WZO and by the Memorial Foundation for Jewish Culture. Professor Davis is academic chairman of the centre and Dr. Nathan Lerner is director.

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